<div align="center">

Before the
Federal Communications Commission
Washington, D.C. 20554

</div>

In the Matter of

Schools and Libraries Universal Service) CC Docket No. 02-6
Support Mechanism)

)
)
)
)

<div align="center">

REPLY COMMENTS
DELAWARE CENTER FOR EDUCATIONAL TECHNOLOGY

</div>

The Delaware Center for Educational Technology (hereafter referred to as "DCET")

hereby submits its reply comments to the Notice of Proposed Rule Making and Order. The

DCET is a state agency in the State of Delaware with a mission to create a modern educational

technology infrastructure in Delaware's public schools to enable students, through the use of

educational technology to meet academic standards set by the State Board of Education and to

develop the skills needed by a world-class work force. The DCET provides technology services

and consultation to the K-12 education community in the State of Delaware including e-rate

consultation and filing.

The DCET and the State of Delaware are very concerned about the equitable distribution

of the e-rate program's funds. According to the Schools and Libraries Web site (http://

www.sl.universalservice.org), the State of Delaware has received funding commitments of

$4,034,593.42 (Year One: $1,019,234.82; Year Two: $1,391,402.20; Year Three $1,623,956.40)

during the first three years of the e-rate. After three years, the total funding distributed is roughly

what the FCC originally estimated ($4,000,000) Delaware would receive yearly. In addition, the

citizens of Delaware have paid approximately $18,000,000 into the fund in the same three years.

When you compare the funding commitments in three years ($4,034,593.42) to the FCC

estimated discounts ($12,000,000) to the approximate amount the citizens of Delaware pay into the fund ($18,000,000), we can see that Delaware is not receiving an equitable distribution of the program's funds or its fair share. Delaware has a major deficit in the amount of e-rate funding received in comparison to the amount its citizens contribute. The same is true for the other states in the mid-Atlantic region (Pennsylvania, New Jersey, Maryland) and Washington, DC. All of these states receive considerably less in e-rate funding than the citizens pay into the fund.

The priority system that has been put in place by the Schools and Libraries Division places the State of Delaware at a disadvantage for two reasons: (1) Delaware was ahead of the curve because 80% of the schools were already wired by the time the e-rate came into existence and (2) Delaware has a very small number of schools that are eligible for the highest percentage discounts – only two public schools in Delaware were eligible for 90% discounts during Year Four and only 5 schools are eligible for 90% discounts in Year Five. The State of Delaware has received virtually no discounts on internal connections due to the priority system.

Realizing that funds must be requested, the lack of e-rate funding received by Delaware is not from the lack of trying. The Schools and Libraries Division does not report on the amount of funding requested on applications that are rejected. The DCET has been turned down for $7,891,443.82 ($3,007,117.80 in Year One, $3,237,129.40 in Year Three, $1,647,196.62 in Year Four) in e-rate funding due to the demand on the fund and the priority system. For the first time, the DCET received e-rate funding in Year Four: $30,449.93, less than 2% of what was requested. In all, the State of Delaware has had well over $8,000,000 in requests rejected for e-rate funding.

We recommend that each state receive at least 2/3 (67%) of the amount the citizens of the state contribute to the fund. This will ensure that all states can address high need areas within the

state. This is in line with the original FCC estimate that Delaware would receive approximately $4,000,000 per year while paying approximately $6,000,000 into the fund.

Comments on the treatment of unused funds was requested in paragraph 70. Unused funds should carry forward to the next year and the distribution of these funds should be in excess of the annual cap. This will provide additional resources for applicants and give an opportunity for more schools and districts to receive much needed funding.

The DCET is very concerned about fraud, waste, and abuse of e-rate funding. There are three items that the DCET feels should be addressed with this respect: (1) wireless telephone services need to include all wireless telephones(paragraph 21); (2) equipment purchased with e-rate funding should remain in the school for a minimum of three years before being transferred or replaced (paragraph 38); and (3) those that willfully and/or repeatedly fail to comply with e-rate requirements should lose the privilege of participating in the e-rate program (paragraph 61).

The wireless telephone service requirement concerning "educational purposes" has been a difficult rule to adhere to. Even though the eligible use of such devices excludes certain support staff, there have been instances where districts/schools have been granted funding for such use. In an effort to simplify the process, wireless telephone service should include all administration, faculty, and staff.

Internal connection equipment should remain in the school for a minimum of three years. The idea that a school district could upgrade the poorest schools in the district yearly and transfer the 'old' equipment to other schools is definitely abuse of the system and should be stopped, especially when there are other schools and districts that have received no funds.

Those that willfully and/or repeatedly fail to comply with e-rate requirements should be barred from participation in the e-rate program for at least three years. This includes not only

schools, districts, service providers, businesses, and consultants, but individuals and

organizations that employ these individuals as well.

      Thank you for your consideration of these items.

Delaware Center for Educational Technology
655 W. Glenwood Ave., Suite 1
Smyrna, Delaware 19977
302 659-6878
Fax: 302 659-6879

Wayne Hartschuh, Ph.D.
Executive Director